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Hunt, Howard
SOC 4.01.2 UNDERCOVER:

Memoirs
of an
Am. Secret
Agent

(original
Cockburn)

Propaganda of the Victors

The Senate Watergate Report
with an introduction by Daniel Schorr.
Dell, Vol. I, 761 pp., \$2.75;
Vol. II, 514 pp., \$2.25 (paper)

The Great Cover-Up:
Nixon and the Scandal of Watergate
by Barry Sussman.
Crowell, 323 pp., \$7.95;
New American Library, \$1.95 (paper)

The Palace Guard
by Dan Rather and Gary Paul Gates.
Harper & Row, 326 pp., \$8.95

The Fall of a President
by the staff of the *Washington Post*.
Delacorte, 232 pp., \$8.95;
\$1.75 (paper)

Undercover: Memoirs of
an American Secret Agent
by E. Howard Hunt.
Berkley/Putnam's, 338 pp., \$8.95

No Final Victories
by Lawrence O'Brien.
Doubleday, 394 pp., \$12.50

Big Brother and the Holding Company:
The World Behind Watergate
edited by Steve Weissman,
with introduction by Noam Chomsky.
Ramparts Press, 350 pp., \$10.00;
\$3.45 (paper)

Alexander Cockburn

Even at the present modest distance from Watergate one is left with the somewhat depressing conclusion that the lifeblood of scandals, political as much as sexual, is detail. Depressing, because detail after all is what people forget first. Too soon we are left with "general lessons" and the trite impedimenta of editorial writers and other chartered accountants of our social and moral inventory.

Consider the case of Braniff Airways. It does not cost much to denounce, deplore, and otherwise animadvert on the huge sums of money forthcoming in 1971 and 1972 to fill Nixon's war chest. Since such sums will always be forthcoming to fill political war chests the achievements of Maurice Stans are not really of much value as general historical parables. But it is the details of how Braniff Airways transferred the modest sum of \$40,000 to Stans's safe in the CREEP offices that excite the imagination.

On March 1, 1972, Harding Lawrence, chairman of the board of Braniff, gave Stans \$10,000 in cash, as an unsolicited contribution. As Lawrence later related it to investigators for the Ervin Committee, Stans thanked him for the contribution but stated that he felt Braniff executives could do more because "the company was doing much better than the rest of the industry." He suggested that a donation in the neighborhood of \$100,000 would be more appropriate.

Lawrence decided that \$40,000 was as far as Braniff would go, and delegated a group of executives to get the money, washed clean of "corporate" contamination, into Stans's hands before the April 7 deadline, when donors would have to go public. This group opted for a Central American connection. Camilo Fabrega, Braniff's manager in Panama, owned and controlled a firm called Camfab, described in the investigative literature as "a Panamanian entity." A Braniff voucher was issued, approving the payment of \$40,000 to Camfab for "expenses and services," and the check was entered on Braniff's books as an account receivable, due from Camfab.

The check was forwarded to Fabrega, who endorsed it on behalf of Camfab and cashed it at a bank in Panama. He returned the proceeds in US currency to Braniff officials in Dallas. Finally Lawrence and two colleagues delivered the money to Stans.

But the Braniff executives now had the problem of paying off and liquidating the account receivable. So a supply of special ticket stock was given to Fabrega. Tickets written on this stock were sold at the ticket counters only by the supervisor in the Braniff Panama office, generally for cash. If a customer wanted to pay by check then regular tickets were used. The receipts for these cash sales were not accounted for as ticket receipts but applied to the liquidation of the account receivable from the Panamanian entity. Then, on his trips from Panama to the Dallas office, Fabrega would take the cash and deliver it to Braniff. The long-suffering Fabrega described these deliveries to investigators as "unusual."

Panamanian sales office only \$27,000

worth of sales in uncontrolled ticket stock had been achieved by December, 1972. Braniff was keen to liquidate the account by the end of the year, so Fabrega got a personal loan for \$13,000 from a Panamanian bank, paid back Braniff, and then reimbursed himself by further sales of the uncontrolled ticket stock through early 1973. There was no final tax problem, since Braniff's accounting procedures require that only ticket sales outstanding as of July 31 of any year are taken into income. And by July 31, 1973, the nine Braniff officers who had theoretically made the contribution hastened—as Watergate exploded—to repay Braniff the \$40,000 which had been contributed from unrecorded ticket sales, and the sum was credited by Braniff to an unearned passenger transportation account. No request was ever made to CREEP to return the contribution.

On November 12, 1973, Lawrence and Braniff pleaded guilty to nonwillful violations of campaign law, and the company was fined \$5,000 and Lawrence \$1,000.

All through the early part of 1972 similar prodigies of corporate artifice were being achieved. Ashland Oil gave Stans \$100,000, disbursing this from Ashland Petroleum-Gabon, an African subsidiary, and charging it off to an undeveloped leasehold. The actual \$100,000 was picked up in cash in Geneva by William Seaton, the vice chairman of Ashland's board. It was delivered on April 3, 1972, by Clyde Webb, a vice president of Ashland, to Stans, who "dumped it in the drawer of his desk and said 'thank you.'" (As reported in the Watergate hearings.)

Orin Atkins, Ashland's chief executive officer, was asked at the hearings why the decision was made to draw the money in Switzerland. "Well," he said, "\$100,000 in cash is a commodity which US banks, I do not believe, normally deal in from day to day. But I think the Swiss, being a more sophisticated financial society than ours, I believe, are used to dealing in such numbers, and it does not excite anybody's curiosity if you walk in and ask for \$100,000 out of a Swiss bank. If you did that in the United States, everybody and his brother would be